

EXHIBIT 2

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 1

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

NIKE, INC.,
Plaintiff,

vs.

STOCKX LLC,
Defendant.

)
)
)
)
) Case No.:
) 1:22-cv-00983-VEC
)
)
)
)

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY
VIDEO-RECORDED 30(b)(6) DEPOSITION OF
HEATHER PAULSON
Portland, Oregon
Friday, January 6, 2023; 9:11 a.m.

REPORTED BY:
Victoria A. Guerrero, CSR, RPR, CRR
Job No. 5593361
Pages 1 through 291

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 2

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

NIKE, INC.,)
Plaintiff,)
)
)
vs.) Case No.:
) 1:22-cv-00983-VEC
STOCKX LLC,)
Defendant.)
_____)

BE IT REMEMBERED that, pursuant to Federal Rules of Civil Procedure, the 30(b)(6) deposition of HEATHER PAULSON taken on behalf of the Defendant was taken before Victoria A. Guerrero, Certified Shorthand Reporter, Registered Diplomat Reporter, Registered Merit Reporter, and Certified Realtime Reporter, on Friday, January 6, 2023, commencing at the hour of 9:11 a.m., at Stoel Rives LLP, 760 SW Ninth Avenue, Suite 3000, in the City of Portland, County of Multnomah, State of Oregon.

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 77

1 BY MR. FORD:

2 Q And do you know when Valiant Labs was
3 created?

4 A No.

5 Q When, during your time at Nike, did you
6 first work with Valiant Labs?

7 MR. MILLER: Objection to form.

8 THE WITNESS: That's a good question.

9 Long time ago.

10 BY MR. FORD:

11 Q So they've been around for a long time?

12 A They've been around for a long time.

13 Q [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 78

1

A

[REDACTED]

2

[REDACTED]

[REDACTED]

3

[REDACTED]

[REDACTED]

4

[REDACTED]

5

[REDACTED]

[REDACTED]

6

[REDACTED]

7

[REDACTED]

[REDACTED]

8

[REDACTED]

[REDACTED]

9

[REDACTED]

10

[REDACTED]

[REDACTED]

11

[REDACTED]

12

A

Isaiah was the entrepreneur in residence

13

who led the project.

14

Q

And that's Isaiah Steinfeld?

15

A

Yes.

16

Q

Do you know when the [REDACTED] project began?

17

A

Yes. In 2017.

18

Q

And when you describe [REDACTED]

19

[REDACTED]

what does that mean?

20

A

[REDACTED]

21

[REDACTED]

22

[REDACTED]

23

[REDACTED]

24

Q

[REDACTED]

25

[REDACTED]

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 80

1	Q	Do you know why he left the company?
---	---	--------------------------------------

2	A	I don't.
---	---	----------

3 Q When was the last time you spoke to
4 Mr. Steinfeld, if you recall?

5 A I don't recall. He sent me a good-bye
6 email, but I don't recall.

7 Q Do you know where he went after leaving
8 Nike?

9 A To a start-up.

10	Q	Do you know the name?
----	---	-----------------------

11	A	No.
----	---	-----

12 Q And haven't spoken to him since the
13 good-bye email?

14	A	No.
----	---	-----

15 Q So why was it important -- sorry.

16 Withdrawn. Let me start that again.

17 [REDACTED]

--	--	--	--

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 82

1



9

for the

10

MR. MILLER: Objection to form.

11

THE WITNESS:



114

114

114

114

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 83

1

[REDACTED]

2

[REDACTED]

3

[REDACTED]

[REDACTED]

4

[REDACTED]

[REDACTED]

5

[REDACTED]

6

[REDACTED]

[REDACTED]

7

[REDACTED]

[REDACTED]

8

[REDACTED]

[REDACTED]

9

[REDACTED]

[REDACTED]

10

Q

[REDACTED]

11

[REDACTED]

12

[REDACTED]

[REDACTED]

13

[REDACTED]

[REDACTED]

14

[REDACTED]

15

[REDACTED]

16

[REDACTED]

[REDACTED]

17

[REDACTED]

[REDACTED]

18

THE WITNESS:

[REDACTED]

19

[REDACTED]

20

[REDACTED]

21

[REDACTED]

[REDACTED]

22

[REDACTED]

23

[REDACTED]

24

[REDACTED]

25

///

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 84

1 BY MR. FORD:

2 Q [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6 MR. MILLER: Objection to form.

7 THE WITNESS: [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

16 BY MR. FORD:

17 Q I see. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

23 BY MR. FORD:

24 Q [REDACTED]

[REDACTED]

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 85

1

█

█

█

█

█

█

█

█

█

█

█

13

A That was the vision.

14

Q Did the vision succeed?

15

MR. MILLER: Objection to form.

16

THE WITNESS: The program has been shut

17

down.

18

BY MR. FORD:

19

Q When was the program shut down?

20

A

█

█

█

█

25

MR. MILLER: Objection to form.

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 190

1 one's allowed to sell it before that launch date.

2	Q	
---	---	--

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

--	--	--

[illegible]

--	--	--	--

[REDACTED]

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 208

1 well as the SNKRS app?

2 A Yes. And mobile web, yes.

3 Q What was the difference between the Nike --
4 general Nike commerce app, as you put it, and the
5 SNKRS app?

6 MR. MILLER: Objection to form.

7 THE WITNESS: There are a lot of
8 differences. The experience is different, the
9 products sold there are different, the
10 consumers themselves are different.

11 BY MR. FORD:

12 Q In what way are the consumers different?

13 A I should actually say the occasion that is
14 served is different. This SNKRS app is more around
15 -- more maybe culturally leading, cultural pushing
16 styles that are oftentimes more allocated and it's
17 serving more that style of sport.

18 And our Nike app is more, we sell
19 sportswear there, too, but it's more serving the
20 performance occasion, people who want to run, people
21 who want to play soccer. And it's more grounded
22 there.

23 BY MR. FORD:

24 Q When you say that the SNKRS app has styles
25 that are oftentimes more allocated, what do you mean

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 209

1 by "allocated"?

2 A [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10 BY MR. FORD:

11 Q [REDACTED]

[REDACTED]

13 MR. MILLER: Objection to form.

14 THE WITNESS: I don't know that at any

15 level of detail. It's not in the scope of my

16 role.

17 BY MR. FORD:

18 Q That's fine. Why was the deck that we're

19 looking at here as Exhibit 7 put together?

20 A [REDACTED]

[REDACTED]

[REDACTED]

23 Q So this deck was put together in and around

24 April of 2019; is that right?

25 A Looks like it.

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 221

BY MR. FORD:

Q I see. So less chicken and egg and more sort of iterative development of the business model alongside deeper learnings about consumer preferences?

A Yes.

Q The third bullet there says, it's -- not a bullet, but the third line says, [REDACTED]

MR. MILLER: Objection. And I will caution the witness to answer that question without revealing any information that would have been given to you by counsel. So if you can answer the question without revealing any attorney-client communications, you can, but I'm giving you that caution.

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 222

THE WITNESS: Okay. We felt that there were key risks to -- that we learned from consumers. And -- just generally. And I think the two key ones, from my recollection, one is not from a legal perspective, but from a consumer perspective -- let me start with this one.

[illegible]

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 223

1

[REDACTED]

2

BY MR. FORD:

3

Q Mr. Miller asked you not to disclose any
advice of counsel and I'm not asking you do that. I
do want to ask a yes-or-a-no question which is, is
there additional content that you're aware of
responsive to my question that you are not providing
based on Mr. Miller's guidance, just yes or no?

9

A Content, no.

10

Q So if you flip with me to slide 32. Do you
have an understanding of what this illustrative
transaction experience is setting out?

11

12

13

A Yes.

14

Q And what is this setting out? Let me just
make sure I'm in the right section. [REDACTED]

15

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 258

1 THE WITNESS: I think there were lots of
2 reasons. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

10 BY MR. FORD:

11 Q [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

16 MR. MILLER: Objection to form.

17 THE WITNESS: Yeah, I think it was kind of
18 a conversation, as always, we're always
19 exploring things like this, right? So we're
20 exploring it. Oh, it's interesting, it makes
21 sense, it's growing in the marketplace, okay.
22 Now, in a world of limited resources, limited
23 funding, limited tech, is now the time to move
24 forward? Do we need more foundational pieces
25 in place before we move forward? And, you

HIGHLY CONFIDENTIAL - OUTSIDE ATTORNEYS' EYES ONLY

Page 263

Q So there would have been a final version of this deck where these comments would have been resolved and removed?

MR. MILLER: Objection to form.

THE WITNESS: Yes. There should have been a final version of this deck. Although, at some point, as I said, we decided to move away from this. But I don't -- I don't remember when that was.

BY MR. FORD:

Q

7

7

██████████

7

MR. MILLER: Objection to form.

THE WITNESS: Pre-COVID. So sometime between May and, you know, September,